April-October, 2002 have been lower at Rs. 100.26 crore compared with Rs. 191.05 crore during April-October, 2001.

(c) Both India and Pakistan are signatories to WTO and are, therefore, obliged to give Most Favoured Nation (MFN) treatment to each other. While India has granted MFN status to Pakistan, the latter has not reciprocated, citing extraneous political and economic reasons. Moreover, while India does not follow any discriminatory trade policy towards Pakistan, the latter has restricted access of Indian products in Pakistan to an arbitrarily prepared list of 600 items. Among the various measures taken by India for promoting bilateral trade are exchanges of trade delegations, participation in exhibitions and buyers-sellers meets and exchange of tariff concessions under SAARC Preferential Trading Arrangement (SAPTA).

Increase in foreign exhange reserves

†1254. SHRI LAJPAT RAI:
SHRI JANARDHANA POOJARY:

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether it is a fact that the foreign exchange reserves of the country is expected to increase from 54 billion dollars to 75 billion dollars during 2002-2003;

(b) if not, the facts in this regard; and

(c) the details of the sources through which the amount has so far been deposited in the reserves during the current year along with the details of the amount deposited?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) and (b) India's foreign exchange reserves increased by US$ 21.2 billion from US$ 54.1 billion at end-March 2002 to US$ 73.3 billion on February 14, 2003.

(c) An analysis of the sources of reserves, based upon a recent study undertaken by the Reserve Bank of India, indicates that a substantial portion of the fresh accretion has been by way of current account

†Original notice of the question was received in Hindi.

surplus (20 per cent), non-debt creating capital flows (40 per cent), currency valuation (17 per cent) and debt-creating capital inflows (23 per cent).

World Bank's concern over fiscal deficit

1255. SHRI B.J. PANDA: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether World Bank has warned India on fiscal deficit and slow reforms and has issued directives for speeding up reforms as reported in The Indian Express of 7th December, 2002;

(b) if so, what are the detailed directives of the West Bengal and kind of weakness that have been pointed out by the Bank; and

(c) whether any goal that has been set by the World Bank in reforms and how much progress has been made to achieve the objective?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) to (c) The World Bank in its India Country Assistance Strategy (CAS) Progress Report discussed by its Board of Executive Directors, on 5th December, 2002 has, while acknowledging the good progress made by India in reducing poverty and improving education indicators during the last decade, observed that India needs to accelerate its efforts in order to meet the Millennium Development Goals. These goals are a set of poverty and human development targets agreed upon by the international community to be achieved by the year 2015. The Bank has further observed that raising economic growth to the Government of India's target level is unlikely to be achieved without substantial progress in fiscal consolidation and faster structural reform.

Government is conscious of the need for containing fiscal deficit, accelerating the process of reforms and economic development. Various reform measures are being taken by the Government since 1991, aimed at accelerating economic growth, and reducing the level of poverty. The policies and programmes announced through the Union Budget and the Tenth Five-Year Plan are tuned towards this end.